

Minutes of Main TALC meeting

25th April 2012

Dublin Castle

IN ATTENDANCE

Revenue: Gerry Harrahill - Chairman
Eugene Creighton
Joe Lynch
Séamas Ó Cathasaigh
Anne Dullea

Law Society: Caroline Devlin
Tom Martyn
Pat Bradley

ITI: Liam Grimes
Cora O'Brien
Mark Barrett
Michael McGivern

CCAB – I: Brian Purcell
Enda Faughnan
Brian Keegan
Norah Collender

Minutes of the meeting of Monday 13th February 2012

These were approved.

There were no issues arising.

Revenue Internal Review Procedures

Revenue distributed copies of the most recent draft of 'Revenue Complaint and Review Procedure'. This reflects the various inputs from the consultation process. Practitioners were thanked for the very useful engagement on this matter.

Revenue confirmed that the mixture of internal and external review was not retained in the new procedures. The current focus on resolving the majority of complaints through normal line management review will continue. The internal or external review process will normally come into operation if the issue cannot be resolved through this initial process. The final version of the procedures will specifically reference this line review procedure.

Revenue confirmed the current external review panel will constitute the external review panel referred to in the leaflet. The intention is to replace reviewers periodically, one at a time allowing for continuity of service.

Any further observations are to be submitted by COB Tuesday 1st May to facilitate publication within the following few weeks.

Modernisation of the administration of Direct Tax and the Self-Assessment System

Practitioners reiterated their view that the new legislation on the modernisation of the administration of Direct Tax and the Self-Assessment System is a fundamental change requiring careful and detailed consideration of the administration implications. This would be assigned to Main TALC rather than a sub-group.

It was proposed and agreed this issue would for the moment at least be progressed through main TALC.

Proposals for how to advance TALC discussions on this matter will be tabled by Revenue for the June meeting. It is envisaged that whatever forum is established is likely to be in existence for 12 to 18 months with issues coming onto the Main TALC agenda as needed.

Taxation of Receivers

Practitioners expressed dissatisfaction with current legislation which is ill equipped for current situations. Guidance on this area or perhaps amended legislation was expected. Concerns were voiced that significant issues may not be addressed in the 2013 Finance Bill given the usual pressures to keep the scope of the Bill to manageable proportions.

Revenue acknowledge that the tax issues involved were complex and significant for receivers and their advisors. The issues, however, were not appropriate for resolution by way of guidance material. The issue is now under consideration by Department of Finance including the form and timing of a possible public consultation process.

Practitioners requested that in the context of an overall response to the issue, the position of VAT and non-resident banks are also considered.

Ongoing Consultation Processes

The consultation process undertaken for Property Reliefs was acknowledged by practitioners as being a good model for future consultation processes. Reasons cited included the finite time line, the quality of the discussion paper, and the inclusion of submissions from interested parties in the final product.

Practitioners queried whether undertaking consultation processes prior to significant legislative amendment could be a feature of legislation developments into the future similarly to in the UK. Caution was expressed around use of this process in all instances.

Revenue advised that decisions on whether or not to have a consultation on a particular issue was a matter for the Department of Finance. The Property Relief consultation process was required as part of an economic impact review required by Finance Act 2011. However, the point raised was noted.

Revenue confirmed that the Residence Consultation process is likely to be launched by the Department of Finance very shortly.

Securitisation Vehicles

Practitioners welcomed the e-brief but expressed concern regarding the length of time for it to issue. Revenue advised this was as a result of the complexity of issues involved and the desire to issue a single comprehensive guidance.

RTS Review – update on progress

Séamas Ó Cathasaigh advised that good progress had been made on this review and it is expected to be concluded shortly. 80 cases had been randomly selected in 2011. Revenue are currently reviewing the adequacy of the responses to the queries raised which is the last element of the review. The length of time to issue the response, the mechanism by which query was dealt with etc. had already been reviewed.

Practitioners asked whether the results would be fed back into the sub-group which was initially set up. They also noted that this process has been a lengthy one, and they queried the next step once this review has been completed.

Revenue acknowledged the length of time the process had taken. However, a lot of issues had been identified by the sub-group for examination. It is anticipated that the review will be completed by early June. Revenue would then convene a meeting of the sub-group to advise of the results of the process and Revenue's view on the outcome for further consideration and discussion. The sub-group deliberations can then feed into the next Main TALC meeting on 20th June.

It was agreed that this will form a substantive part of the Main TALC agenda for the June meeting.

Burden Reduction – update on progress

Revenue explained that this review came about as a result of a 2008 Government Target to reduce the administration burden by 25% by the end of 2012. This resulted in action plans being implemented by each of the Government departments.

In the last 8 months, an evaluation process has been undertaken to review whether this target will be met. A report will be available shortly detailing what actions have completed and their impact.

A final report is expected shortly and discussion will be tabled for the June Main TALC meeting if the report is available in advance.

S 127 Finance Act 2012

This was raised at the Audit sub-committee of TALC. It relates to new powers given to Revenue under the 2012 Finance Act (previously S 112 Finance Bill 2012).

A position was reported by Revenue at the Audit sub-committee in relation to the use of new powers by Revenue. This is set out in Appendix I to these minutes.

Practitioners welcomed this clarification by Revenue.

Inability to Pay & Appeal Procedures

This issue will be dealt with by Main TALC rather than any of the sub-committees. It will form part of the discussion on the new Self-Assessment procedures.

Sub-Committee Work Plans

Work Plans as prepared by the Sub Committees were endorsed. Changes to the Self-Assessment regime will remain on the Work Plan of the Audit sub-committee but with a specific focus on issues related to the Code of Practice. Stamp Duty Self-Assessment will remain on the Capital Taxes work plan.

AOB

1. Procedure for changing over from BES to EII

Issues arose in relation to the timeframe for the making of an election. Acceptance and processing of elections by Revenue was perceived to be inconsistent across the organisation. It was suggested that Regions be sympathetic to late elections.

Revenue agreed to discuss the issue with the Regions.

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2. R&D Tax Credits and disallowing director pension contributions

Certain tax districts appear to have disallowed ordinary director pension contributions paid during the accounting period when reviewing R&D spend.

Practitioners are to provide more details to allow Revenue consider the matter in more detail.

Next Meeting

Next meeting will be 20th June 2012 in Dublin Castle.

APPENDIX I

Section 112 Finance Bill 2012

This provision in effect imports equivalent provisions to those contained in Sections 15 & 16 of the Criminal Justice Act 2011. These relate to the power to apply, where necessary, to a District Court for an order to require any person with relevant information to produce documents, answer questions and provide information for the purposes of the investigation of relevant offences.

These provisions will only apply, where necessary, to the investigation of serious criminal tax and duty offences - offences of the type that on conviction on indictment carry a term of imprisonment of up to 5 years. As such, these provisions will be used by authorised officers in Revenue's Investigations and Prosecutions Division and will be subject to the normal strict controls that apply to Revenue Powers generally.